



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

January 8, 2007

Mr. Lon Thomas, President
Star Stone Quarries, Inc.
4040 South 300 West
Salt Lake City, Utah 84107

Subject: Request for Small Mine Reclamation Contract and Letter of Credit in the amount of \$18,600.00, Star Stone Quarries, Inc., Lion Heart Mine Site, M0030033, Box Elder County, Utah

Dear Mr. Thomas:

The Division has received information that a letter of credit (LOC) will be issued by KeyBank in the amount of \$18,600.00. Thus far, the draft LOC has received Division review and we are at the understanding the original will be issued and mailed to the Division soon. Per discussion with Nicole, Star Stone Quarries, Inc., the LOC will replace the BLM bond in the form of a certificate of deposit in the amount of \$8545.00.

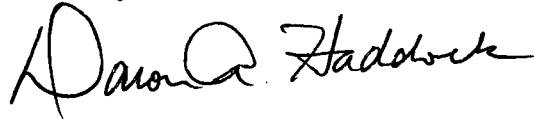
In addition to the completed LOC, the Division must receive the completed small mine reclamation contract. Please find it enclosed for completion and notarized signature. Please return it in original form to the Division, attention Minerals Regulatory Program.

The Division understands the delay in issuing the LOC has been related to lack of correspondence identifying the required surety amount for a disturbance of a five-acre site. The Division has determined an amount of \$18,600.00 based on average surety costs according to R647-3-111.3.14.

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M0030033
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The Division appreciates your attentiveness and responsiveness in working to complete the bank documents. Please promptly return the reclamation contract and the LOC in the amount of \$18,600.00. If you have any questions or require discussion, please contact Ms. Beth Ericksen (801) 538-5318.

Sincerely,

A handwritten signature in black ink that reads "Daron Haddock". The signature is fluid and cursive, with the first name "Daron" and last name "Haddock" clearly distinguishable.

Daron Haddock
Permit Supervisor
Minerals Regulatory Program

SMW:BE:pb
Enclosures: small mine reclamation contract
cc: Beth Ericksen, DOGM
Lynn Kunzler, DOGM
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